

C.F.S. PLANNING CORPORATION

8383 Wilshire Boulevard, Suite 650, Beverly Hills, California 90211 / Phone: (213) 653-1500 / Tlx. 4720915

December 14, 1984

14507/C
RECORDATION NO. 14507 Filed 1425
DEC 17 1984 -3 05 PM
INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th Street and Constitution Avenue Northwest
Recordation Division Room 2303
Washington, D.C. 20001

ATTN: Mildred Lee

Dear Ms. Lee:

Per our telephone conversation of December 14th, enclosed please find one "Original" and one certified copy of the following items for recordation:

1. Two (2) Assignments of Lease
2. A Collateral Assignment
3. A Security Agreement
4. An Agreement of Lease

I have enclosed two (2) forms of certification for the copies since I was not sure which form was required. I have also enclosed a check in the amount of \$50.00 to cover the recordation charges.

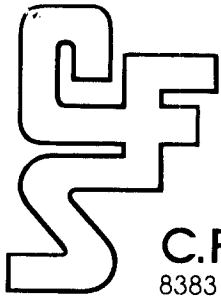
If everything is not in order, I would greatly appreciate it if you could give me a call so I can forward any missing information or items.

Thank you very much for your help and time.

Sincerely,

Kathleen Blackburn.
Assistant Vice President

KB:cb
Encl.



C.F.S. PLANNING CORPORATION

8383 Wilshire Boulevard, Suite 650, Beverly Hills, California 90211 / Phone: (213) 653-1500 / Tlx. 4720915

December 19, 1984

PERSONAL AND CONFIDENTIAL

Interstate Commerce Commission
12th Street and Constitution Avenue Northwest
Recordation Division Room 2303
Washington D.C. 20001

Attention: Mildred Lee

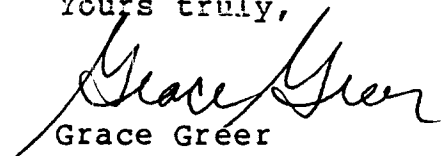
Dear Mrs. Lee:

Reference is made to our letter of December 14, 1984 whereby we forwarded documents to you for recordation with the ICC.

Pursuant to our telephone conversation today, enclosed please find the description of equipment proposing cause for recordation.

If you should have any further questions or desire further information, please contact me.

Yours truly,


Grace Greer
Legal Department

Enc.

GG:cb

Interstate Commerce Commission
Washington, D.C. 20423

12/18/84

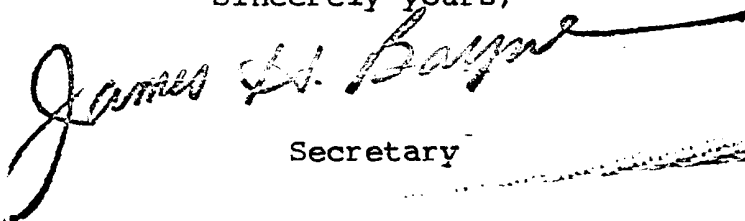
OFFICE OF THE SECRETARY

Kathleen Blackburn
Assist. Vice President
C.F.S. Planning Corp.
8383 Wilshire Blvd, Suite 650
Beverly Hills, Calif. 90211

Dear Ms. Blackburn:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/18/84 at 3:05pm and assigned re-recording number(s). 14507, 14507-A, 14507-B, 14507-C, 14507-D

Sincerely yours,


Secretary

Enclosure(s)

EXHIBIT "A"

DESCRIPTION OF EQUIPMENT

QTY.	DESCRIPTION	ROAD NUMBER			
4	General Motors Corporation, Electromotive Division, Model GP38, 2000 horsepower, 4 axle diesel electric locomotives.	300	301	302	303
19	General Motors Corporation, Electromotive Division, Model GP40, 3000 horsepower, 4 axle diesel electric locomotives.	211	212	213	214
		215	216	217	218
		219	220	221	223
		224	225	226	227
		228	229	230	

EQUIPMENT LOCATION: The locomotives will be used by the Missouri-Kansas-Texas Railroad Company on its 3000 mile route system in Missouri, Kansas and Texas.

BANK: Chemical Business Credit Corporation
INITIAL TERM: 144 months
START DATE: June 1, 1983

DEC 17 1984 3 02 PM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT by and between CFS PLANNING CORPORATION, a California corporation with an office and place of business at 8383 Wilshire Boulevard, Suite 650, Beverly Hills, California 90211, ("Debtor") and CIS RAIL CORPORATION, a California corporation with an office and place of business at 909 Montgomery Street, San Francisco, California 94133 (the "Secured Party").

INTRODUCTION

The Secured Party and Debtor are parties to a purchase agreement dated September 1, 1984, (the "Purchase Agreement"), pursuant to which the Secured Party sold to Debtor, and Debtor purchased from the Secured Party, the Equipment, as defined in the Purchase Agreement. Under the Purchase Agreement, the purchase price payable by Debtor to the Secured Party for the Equipment is payable partly in cash and partly by delivery to the Secured Party of the Installment Note, as defined in the Purchase Agreement. In order to induce the Secured Party to enter into the Purchase Agreement and to accept the Installment Note, Debtor and the Secured Party are entering into this Security Agreement pursuant to which the Installment Note and Debtor's performance under the Purchase Agreement are secured on the terms and conditions hereinafter provided for.

NOW, THEREFORE, in consideration of the premises, the parties hereby agree as follows:

1. Security Interest. To secure the payment of principal and interest under the Installment Note and the payment and performance of all obligations and liabilities of Debtor to the Secured Party under the Installment Note, the Purchase Agreement and this Security Agreement (hereinafter collectively referred to as the "Obligations"), Debtor shall and hereby does grant, convey, assign and transfer to the Secured Party, subject and subordinate to the Bank Lien and the User Lease, as those terms are defined in the Purchase Agreement, a purchase money security interest in and to the Equipment, including for all purposes herein, all of Debtor's right, title and interest in and to all additions, attachments, upgrades and replacements thereto, and all proceeds therefrom.

2. Representations and Warranties of the Debtor. Except for the security interest created hereby, the Bank Lien and the User Lease, Debtor will keep each item of the Equipment free and clear of all claims, liens, security interests or other encumbrances created by Debtor and not created by or arising from acts or omissions of the Secured Party, the User, any subsequent lessee or sublessee or by any sale of the Equipment by the Debtor.

3. Default

3.1 The term "Event of Default", as used herein, shall mean the occurrence and continuation of any one or more of the following events:

(a) The failure of Debtor to promptly and faithfully to pay, observe and perform when due any of the Obligations, subject to Debtor's rights under Article 4 of the Installment Note, which failure shall continue for a period of ten (10) days after written notice thereof.

(b) The material misrepresentation or breach by Debtor of any material warranty or covenant to the Secured Party under this Security Agreement, or the Purchase Agreement, which misrepresentation or breach of warranty or covenant shall continue for a period of ten (10) days after written notice thereof.

(c) The commission by Debtor or the occurrence of any of the following acts:

(i) admitting in writing its inability to pay its debts generally as they become due;

(ii) filing a petition in bankruptcy or a petition to take advantage of any insolvency act;

(iii) making an assignment for the benefit of its creditors;

(iv) consenting to the appointment of a receiver for itself or for the whole or any substantial part of its property;

(v) on a petition in bankruptcy filed against it, being adjudicated a bankrupt; or

(vi) filing a petition or answer seeking reorganization or arrangement or other aid or relief under any bankruptcy or insolvency laws or any other aid or relief of debtors.

(d) The entry by a court of competent jurisdiction of an order, judgment or decree appointing, with or without the consent of Debtor, a receiver for Debtor or for all or substantially all of its property, or approving a petition filed against it seeking reorganization or arrangement of Debtor under any bankruptcy or insolvency laws or any other law for the relief of debtors, which order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

(e) The assumption by any court of competent jurisdiction of custody or control of Debtor or of all of its property under the provisions of any law for the relief of debtors, which custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

3.2 Upon the occurrence of an Event of Default, the Secured Party shall have, in addition to all the rights and remedies of a secured party under the Uniform Commercial Code, but subject and subordinate to the Bank Lien and User Lease and any other lease or sublease not in violation of the documents to which the Secured Party is a party, the right to:

(a) Take possession of any or all of the Equipment wherever situated and, for such purpose, enter upon any premises.

(b) Sell, dispose of, hold, use or lease any or all of the Equipment as the Secured Party in its sole discretion shall decide. The Secured Party shall give Debtor written notice of the time and place of any public or private sale or other intended disposition of all or any portion of the Equipment at least ten (10) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall be paid by Debtor and shall include, without limitation, the Secured

Party's reasonable attorneys' fees and legal expenses. Subject to the provisions of Section 3.3 hereof, the Secured Party's rights and remedies, whether pursuant to the Uniform Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Uniform Commercial Code, shall be cumulative and not alternative.

3.3 The Secured Party shall look solely and only to the Equipment for the payment, performance and observance of all of the obligations with respect to the Purchase Agreement, the Installment Note, this Security Agreement, and any other agreement, instrument or document executed in connection with or related to the transactions described herein or therein (which documents are collectively referred to as the "Operative Documents"). The Secured Party, for itself and its successors and assigns, hereby expressly waives any right to enforce payment and performance by Debtor of the Operative Documents, other than to proceed against the Equipment in the event of any Event of Default hereunder. The foregoing shall not be construed to diminish the obligations of Debtor evidenced by the obligations with respect to the Operative Documents, but only to limit the remedies of the Secured Party in the event of any default hereunder.

3.4 The Secured Party, by act, delay, omission or otherwise, shall not be deemed to have waived any rights or remedies, or both, hereunder unless such waiver is in writing

signed by the Secured Party and only to the extent therein set forth. A waiver by the Secured Party of any right or remedy, or both, on any one occasion shall not be construed as a bar to or waiver of any such right or remedy, or both, to which the Secured Party would otherwise be entitled on any future occasion.

4. Termination of Agreement. The security interest created hereunder shall terminate only when Debtor has fully satisfied the Obligations. At such time, the Secured Party shall execute and deliver all such instruments and documents as Debtor shall reasonably request in confirmation of such termination.

5. Miscellaneous

5.1 Successors. The rights and obligations of the parties hereto shall inure to the benefit of, and shall be binding and enforceable upon, the respective successors, assigns and transferees of the parties hereto.

5.2 Notices. Any notice, request or other communication hereunder shall be in writing and shall be delivered either (i) personally to the party or any officer or employee of the party or (ii) by certified or registered mail, return receipt requested, first-class postage prepaid and addressed to the party at the most recent address furnished by such party to the

other. Such notices shall be deemed delivered (i) on the date actually received or (ii) four (4) business days after mailing, whichever is earlier.

5.3 Severability. The provisions hereof shall be deemed independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

5.4 Governing Law. This Security Agreement shall be governed by, and interpreted under, the laws of the State of California applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. Except with respect to an action commenced by a third party in another jurisdiction, the Secured Party and Debtor agree that any legal suit, action or proceeding arising out of or relating to this Security Agreement must be instituted in a state or federal court in the County of Los Angeles, State of California, and they hereby irrevocably submit to the jurisdiction of any such court.

5.5 Captions. The captions used herein are inserted for reference purposes only and shall not affect the interpretation or construction of this Security Agreement.

5.6 Counterparts. This Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

5.7 Financing Statements. Debtor shall, concurrently herewith and from time to time, execute for the Secured Party financing statements in such form as may be necessary to perfect or maintain or continue perfection of a security interest in the Equipment in any or all pertinent jurisdictions, provided the form and scope of such financing statements is reasonably satisfactory to Debtor.

IN WITNESS WHEREOF, Debtor and the Secured Party have executed this Security Agreement as of this 1st day of September, 1984.

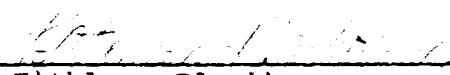
SECURED PARTY:

CIS RAIL CORPORATION,
a California corporation

By: 
(Authorized Signatory)

DEBTOR:

CFS PLANNING CORPORATION,
a California corporation

By: 
Kathleen Blackburn,
Assistant Vice-President